

**ASSEMBLY BILL**

**No. 755**

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**Introduced by Assembly Member Ridley-Thomas**

February 25, 2015

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An act to add Section 17204.6 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 755, as introduced, Ridley-Thomas. Personal income taxes: deduction: student loan interest.

The Personal Income Tax Law, in conformity with federal income tax laws, allows a deduction from gross income for the taxable year in an amount equal to the interest paid by the taxpayer, not to exceed \$2,500, during the taxable year on a qualified education loan. That law provides for a phase out at certain modified adjusted gross income levels.

This bill, for taxable years beginning on or after January 1, 2016, would increase the dollar amount limit to \$4,000, thereby no longer conforming to that limitation of the federal income tax law.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17204.6 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17204.6. For taxable years beginning on or after January 1,
- 4 2016, Section 221(b)(1) of the Internal Revenue Code is modified

- 1 by substituting the number “\$4,000” for the number “\$2,500”
- 2 therein.
- 3 SEC. 2. This act provides for a tax levy within the meaning of
- 4 Article IV of the Constitution and shall go into immediate effect.

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